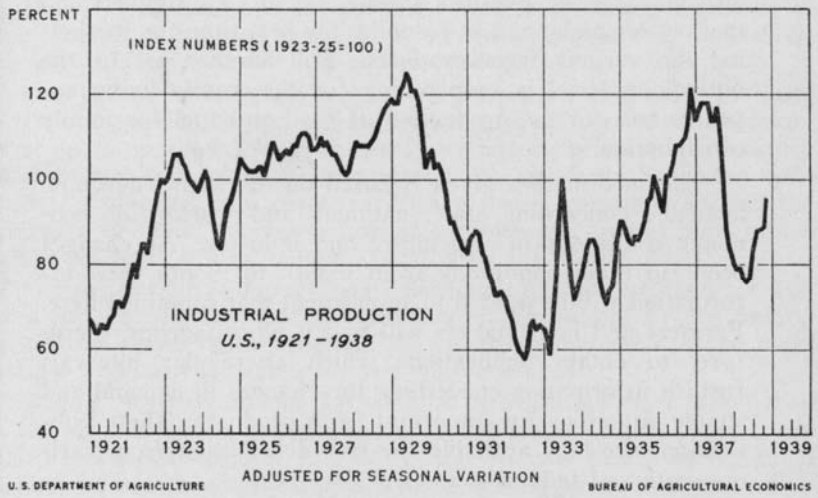
# Agricultural Outlook for Illinois

# 1939




**INDUSTRIAL PRODUCTION, UNITED STATES, 1921-1938**

The index of industrial production is a fundamental indicator of the demand for agricultural products. The sharp recession in production of industrial goods which began in September, 1937, was reversed in June, 1938. About half of the loss had been regained by October, and further gains are expected in 1939.

UNIVERSITY OF ILLINOIS : : COLLEGE OF AGRICULTURE
AGRICULTURAL EXPERIMENT STATION AND EXTENSION
SERVICE IN AGRICULTURE AND HOME ECONOMICS

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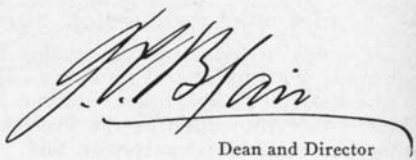
## PURPOSE OF THE ILLINOIS OUTLOOK

THE ILLINOIS AGRICULTURAL OUTLOOK for 1939 contains statements of certain economic facts, which if understood and applied by Illinois farm families will enable them to secure a higher level of living than they would otherwise obtain from the farm business. This information forms a basis upon which long-time cropping systems can be planned to meet the probable demand for grains and feeds and at the same time to maintain fertility and reduce erosion losses. It should offer definite assistance also in adjusting livestock production to feed supplies and market demands, and in planning the best time for marketing the various farm products. Still another use of the outlook material is in planning for the family living expenses and for the production of food and fuel for family consumption.

The information given is based on the knowledge now available concerning state, national, and world-wide economic conditions in agriculture and industry. As changes occur in these conditions from month to month, new information will be needed to supplement that contained here. Farmers and homemakers will find it advantageous, therefore, to obtain publications which at regular intervals furnish information concerning the changes in demand and supply situations for important farm products. These publications are now available for free distribution from various state and federal sources.



Dean and Director

December 1, 1938

Additional copies of this OUTLOOK may be obtained by addressing the College of Agriculture, University of Illinois, Urbana.

# Outlook in Brief

(With applications to Illinois farm conditions)

DEMAND FOR FARM PRODUCTS will probably average stronger in 1939 than in 1938. Industrial production, which slumped sharply in the fall of 1937, has now recovered about half the ground lost; and the present upward trend, with perhaps a temporary reversal, is expected to continue in 1939. Exports of wheat and corn will be less than in 1938. Lard exports will probably be larger, tho they will be much less than in 1926-1930, when they took the lard from 22 million hogs a year. Exports in 1938 took the lard from only about 8 million hogs.

*Farm Family Living.* Cash income available for living expenses of farm families in 1939 will probably be somewhat higher than in 1938, in keeping with improvement in business conditions.

*Feed Grains.* Feed-grain supplies per animal unit are about the same as last year, which was the largest in twelve years. Prices are therefore expected to continue low in relation to livestock prices until livestock numbers and feed supplies are more evenly balanced. Extensive corn sealing, if it occurs, will affect marketings, prices, consumption, and the carryover of corn. Increasing use of legumes and hybrid corn means that fewer acres will be required to produce the needed feeds.

*Forage and Soil-Building Crops.* Seeding of larger acreages of legumes for pasture, hay, and soil building is encouraged by the federal agricultural conservation program. To utilize the increased forage, more pasture- and hay-consuming animals will be needed.

*Wheat.* Both world and U.S. supplies of wheat are much larger than in 1937-38, and almost as large as the record stocks of 1931-1933. If the U.S. harvested acreage in 1939 is as large as now seems likely, and if yields are about average, supplies will be still larger in 1939-40.

*Soybeans.* Soybean prices in 1938-39 will be supported by increased demand and lower supplies of cottonseed oil and meal, but depressing influences will be the increasing supplies of lard and the record 1938 production of soybeans.

*Forage-Crop Seeds.* Supplies of practically all forage-crop seeds, except hardy northern and western alfalfa, are ample.

*Stored-Grain Insects.* In the southern third of Illinois there will be more than normal damage to corn and other stored grain in 1939 from angoumois grain moth and other insects.

*Livestock.* Livestock prices will probably average lower in 1939 than in 1938, but fairly high in relation to feed prices. Farmers who study the typical seasonal swings in livestock prices, and plan to market each class of livestock at the most favorable season, will have the best chance of receiving satisfactory returns.

*Beef Cattle.* U.S. cattle numbers are increasing, and more cattle will be fed in 1939 than in 1938; yet because of reduced slaughter of cows,

heifers, and calves, total slaughter is not expected to increase. Price prospects are best for medium and common cattle to be marketed in spring, and choice cattle to be marketed in late summer and fall.

*Hogs.* Hog production will be further expanded in 1939. If business activity continues to improve, some additional pork can be marketed at reasonable prices; but if hogs are made unusually heavy, the lard will have to be sold cheap, and heavy hogs will be discriminated against.

*Fed Lambs.* Lamb feeding this fall and winter will be favored by improving consumer demand, lower prices of feeder lambs, and a slight reduction in number of lambs being fed.

*Poultry and Eggs.* Improving demand will support poultry and egg prices in 1939. However, fairly high prices and cheap feed will stimulate production, and marketings will be heavier than in 1938.

*Dairy Products.* Stronger demand for dairy products will be largely offset by larger supplies. Feed costs, on the other hand, will be low compared with the price of dairy products.

*Vegetables.* Commercial truck-crop acreage is expected to be somewhat smaller and consumer demand stronger in 1939 than in 1938.

*Fruits.* A stronger consumer demand for fruits will likely be offset by larger production, both of Illinois fruits and of citrus fruits.

*Forestry.* Larger supplies of planting stock than ever before are available for reforestation of idle land.

*Additional Outlook Material.* Farmers will find valuable current outlook information in such federal releases as the December and June pig-crop reports, the report on livestock numbers and grain stocks on farms January 1, the monthly crop reports, and other reports from the Bureau of Agricultural Economics, U.S. Dept. of Agriculture.

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**The statements in this Outlook are based largely on data prepared by the U. S. Department of Agriculture**

# Agricultural Outlook for Illinois in 1939

## GENERAL AGRICULTURAL SITUATION

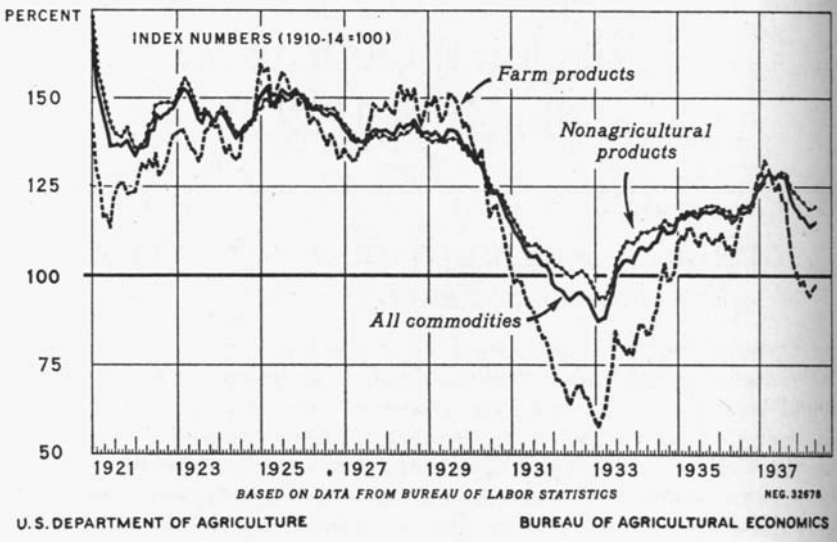
### DOMESTIC DEMAND SITUATION

Domestic demand for farm products is expected to be better in 1939 than in 1938. Industrial production, upon which domestic demand very largely depends, has increased from a low of 76 percent in May, 1938, to 95 percent in October, these percentages being based on the 1923-1925 average. During the first ten months of 1938 the average was about 32 percent less than during the corresponding period of 1937. Monthly variations in industrial production since 1921 are shown in the chart on the cover.

It is not likely, however, that business activity in 1939 will average as high as in 1937 even tho the present low inventories of manufactured and semimanufactured goods will stimulate further business activity. Industrial production this fall has been about the same as in the fall of 1935, and further recovery will probably not be more rapid than that in 1936. It may indeed be less rapid because: (1) in 1936, but not in 1939, "recovery momentum" had accumulated over several years; and (2) the need for replacement of durable consumers' goods is apparently less now than in the fall of 1935.

Wholesale prices of farm products are now very low in relation to prices of other commodities. Tho this disparity will probably be decreased in 1939 by improving industrial production, it is very unlikely that the index of farm-product prices will rise to that of nonagricultural products. In the recovery period from 1932 to 1937, the index of farm-product prices was above that of nonagricultural products only in December, 1936, and in the first four months of 1937. During those months the supplies of farm products were abnormally short because of the 1936 drouth, and industrial production was at a high level.

One of the factors favorable to continued business recovery is the decline in the prices of some nonagricultural products during the latter part of 1937 and in 1938. There was, for example, a general reduction in steel prices; and altho the percentage reduction was not large, the wide use of steel makes the decline significant. Steel prices, however, are still somewhat higher than in 1929. Reductions have




**Wholesale prices of farm and nonagricultural products and of all commodities, 1921-1938**

Prices of farm products declined more than prices of nonagricultural products during 1937 and early 1938, as is always the case during an important decline in business activity. Because of the rise in industrial production under way since June, 1938, this disparity between wholesale prices of agricultural and of nonagricultural products will probably be lessened somewhat in 1939.

been made also in prices of 1939 automobiles, and there have been reports that some farm-machinery prices may be lowered.

In the long run, price reductions in industrial commodities whose production is now curtailed will not depress the general price-level. Lower prices of such commodities stimulate consumption, and hence increase production and employment in the industries involved. The increased business activity in turn increases demand for, and consequently prices of, farm products and other flexible-priced commodities.

Failure of many industrial commodities to decline in price has been due largely to high hourly wage rates. Hourly wages in manufacturing industries now average about 20 percent higher, and hourly wages of all hired labor about 5 percent higher, than in 1929. On the other hand, net cash returns per farm in Illinois were 25 percent lower in 1937 than in 1929, and they will be even lower in 1938 than in 1937. Since the number of hours worked by Illinois farm operators has not changed materially, returns per hour have been correspondingly lower.

From 1933 to the middle of 1937 industrial workers' income rose more rapidly than cash income from farm marketings, primarily be-

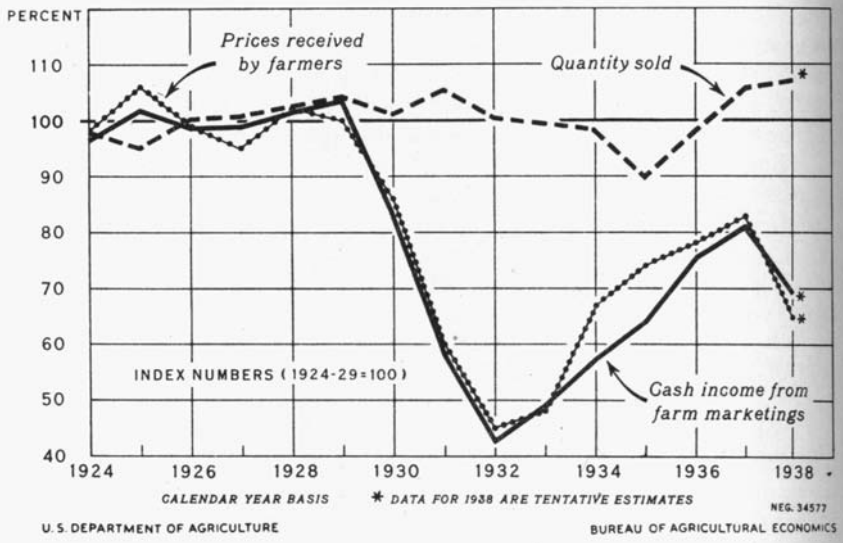
cause of the rapid rise of hourly wages in industry during that period. In general, however, industrial workers' income and income from farm marketings have moved in practically the same fashion during the past fourteen years, because the fluctuations of both depend primarily upon changes in industrial production and the general price-level.

Thus, altho farm income in 1939 may be raised to some extent by increases in governmental subsidies, no substantial improvement in farm income from reducing production can be expected, because there is no significant relationship between the quantity of farm products sold and the cash income from such sales. The marked decrease in cash farm income from 1937 to 1938 was due primarily to the decline in industrial production. The increase in supplies of farm products was of major importance in the decline of farm prices but of minor importance in causing the decline in farm income.

Perhaps the most unfavorable factor in the long-time outlook for business activity is that many industrial wage rates and prices appear to be abnormally high in relation to more flexible prices, such as those of agricultural products. This relationship, however, will probably not cut short the present revival, since a rise of wage rates in relation to commodity prices tends to increase the demand for labor-saving machinery and may, for a time, increase business activity.


**Cash income from farm marketings and income of industrial workers, United States, 1924 to date**

Cash income from farm marketings and income of industrial workers follow the same general course: both change primarily as a result of changes in industrial production. Because conditions point to somewhat higher industrial production in 1939, we may expect the income of industrial workers and of farmers also to increase.




**Cash farm income, prices received, and volume of sales of farm products, United States, 1924-1938**

Variations in farm income are due primarily to changes in demand for farm products and in the general price level, rather than to changes in volume of products sold. Prices, on the other hand, reflect changes in amount sold as well as in demand, and therefore the price index of farm products usually rises above the income index when sales are small and falls below that index when sales are large.

## FOREIGN TRADE

Foreign conditions which influence the exports and the prices of United States farm products are expected to be somewhat less favorable in 1939 than in 1938. This conclusion is based upon the following prospects: (1) continued difficulty in securing means of payment for farm products exported from this country; (2) increased production and supplies in importing countries and in countries which produce commodities competing with our exports; and (3) continued foreign barriers to our agricultural exports.

In important foreign countries the average level of industrial production has been declining since November 1937, but this trend may be changed in 1939 if the present improvement in United States industrial activity continues. Military operations in the Orient will no doubt continue to curtail our trade with Japan and China. A general stiffening of foreign trade restrictions in some countries against imports from the United States will continue in 1939. Restrictions to trade with the United Kingdom and Canada, however, were relaxed by the recent trade agreements with those countries.

Exports of some products from the United States will be higher in 1939, and others lower. Corn exports will no doubt continue at about the 1938 rate until a new corn crop is available in Argentina next spring, at which time they are likely to decline. Pork and lard exports will continue to increase with the larger hog production in prospect in this country in 1939, but will be small as compared with the years prior to 1930. Prospects for wheat exports in 1938-39, even tho aided by government subsidy, are not favorable, because of increased production in other countries. Large world stocks of cotton in 1939 will again restrict United States exports of cotton.

## FARM CREDIT

Illinois farmers are likely to use more short-term credit in 1939 than in 1938, and will continue to retire their long-term debts. Favorable condition of country banks, production-credit facilities of the Farm Credit Administration, and increased appropriations to the Farm Security Administration, should make adequate credit available to farmers. Mortgage money will also be available from a variety of sources. Interest rates will continue to be low.

Cooperators in the federal agricultural adjustment program will borrow freely on stored corn during the present fall and winter, inasmuch as the market price of corn is substantially below the amount which the Commodity Credit Corporation is required to loan. These loans will require many farmers to plan their financing programs with special care, for the money obtained thru the loan may have to meet operating expenses and fixed charges for a twelve-month period.

The fact that the amount of short-term credit used by farmers has been increasing since 1936, and has apparently been unaffected by the recession of 1937-38, reflects greater confidence in the future on the part of both farmers and lenders. This trend may be expected to continue thru 1939 and until something happens to break down this confidence. Many Illinois farmers can wisely use more credit; but if history is repeated, many individuals will borrow more than they can repay and forced readjustments will be necessary. Caution and intelligent planning are warranted.

There is a trend toward gradual reduction of mortgage debts. The large proportion of this kind of debt held by the Farm Credit Administration agencies (which require gradual amortization), and the light activity in the land market, indicate that this trend toward reduction will continue until farms begin to sell more actively. When farms again are sold freely, mortgage debt will begin to expand, and much of the credit will be provided by commercial banks and private individuals interested in the sales.

## ILLINOIS FARM CONDITIONS

Because of favorable growing conditions, production of most farm products in Illinois in 1938 was again above average. The 1937 and 1938 productions of important Illinois crops, as percentages of the 1927-1936 average, were as follows:

| | *Percentage of 1927-1936* | | | *Percentage of 1927-1936* | |
|---|---|---|---|---|---|
| | *1937* | *1938* | | *1937* | *1938* |
| Corn | 153 | 128 | Soybeans | 247 | 313 |
| Wheat | 137 | 127 | Broomcorn | 152 | 103 |
| Oats | 137 | 93 | Apples | 219 | 71 |
| Tame hay | 102 | 128 | Peaches | 149 | 100 |

In northern Illinois the summer rainfall was heavy enough to interfere with the harvest of small grains, and pasture conditions were excellent. In southern and southwestern Illinois, lack of rainfall after July reduced pasturage and interfered with the seeding and germination of winter wheat. Harvesting conditions were ideal for the record-breaking soybean crop, and the corn crop went into the cribs early and with less moisture than in any recent year.

Receipts from the sale of principal farm products plus government payments in Illinois totaled 368 million dollars for the first nine months of 1937 and 337 million dollars for the first nine months of 1938. This decline of 8 percent was due to the sharp drop in the prices of Illinois farm products, particularly grains, which more than offset the increased volume of products sold.

Prices of Illinois farm products in the first ten months of 1938 averaged 32 percent lower than in the same period in 1937. The price declines for the major groups of farm products were as follows: grains, 51 percent; meat animals, 21 percent; dairy products, 11 percent; chickens and eggs, 4 percent; and fruits, 42 percent.

## FARM EQUIPMENT AND SUPPLIES

Prices of services and commodities (including feeds and seeds) used in agricultural production are likely to average lower in 1939 than in 1938. Prices of machinery, automobiles, and tractors, including the smaller general-purpose type of tractor, and supplemental equipment will be slightly lower in 1939 than in 1938 because of increased volume of production.

Lumber prices took a sharp upturn late in 1938, and 1939 prices will probably be slightly higher, in keeping with stronger building programs in 1939.

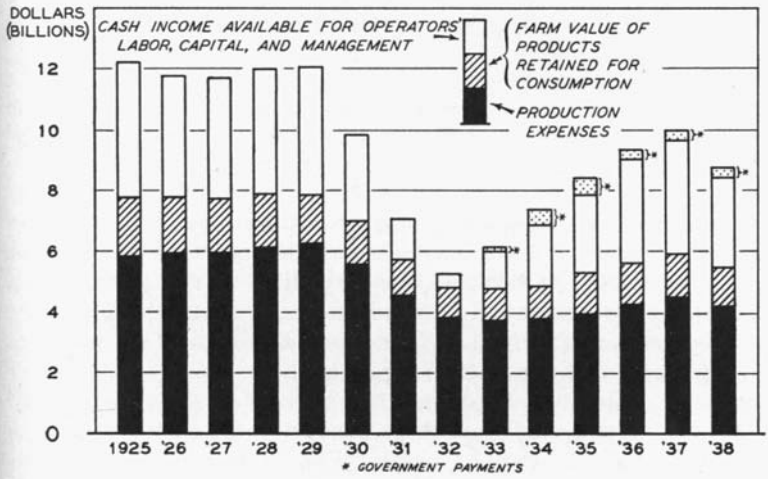
The use of electricity on Illinois farms continues to increase even in the face of declining prices for farm products. Largely as a result of the federal program, more farms in 1939 will receive electric service for the first time than have done so in any previous year. By 1940 probably 30 percent of Illinois farms will be electrified.

## ILLINOIS FARM FAMILY LIVING

**Income.** Net cash income of Illinois farm families in 1939, both from the farm itself and from such nonfarm sources as part-time employment in other industries, will probably be somewhat higher than in 1938 because of improvement in business conditions. The proportion of this total income that will be available for family living will of course depend on the share that goes for debt retirement, interest payments, farm business expenditures, and investments.

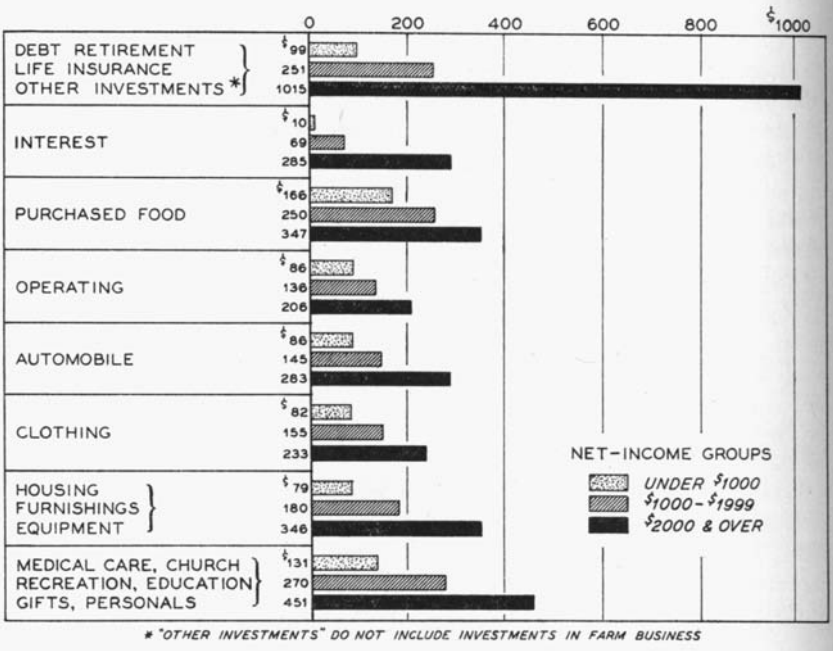
**Price trends for family purchases.** The general price-level of commodities purchased for farm family living in 1939 will probably be about the same as in 1938. In the year ending September 15, 1938, retail prices of food declined 12 percent; clothing, 5 percent; furniture and furnishings, 4 percent; building materials, 7 percent. Operating expenses were unchanged. Of all living expenses, food, clothing, operating, and the automobile take by far the largest shares, tho in 1939 new electric equipment will, among some families, rank with these.

Food prices will probably average about the same in 1939 as in 1938. Lower average prices for some cereal products and for pork are expected to offset higher prices for potatoes and truck crops. Food prices have declined markedly since June, 1937.




**Distribution of gross income from farm production, United States, 1924-1937, and estimated distribution in 1938**

Somewhat more cash will probably be available for farm family living and for debt payments in 1939 than in 1938, because of higher gross incomes. In 1938 drastic decline in prices of farm products caused a greater drop in gross income than in production expenses, and consequently net incomes that year were lower than in 1937.




**Distribution of net cash income available for family living in 1937, according to accounts kept by 280 Illinois farm families**

It is likely that in 1939 the average net cash farm income will not be so high as in 1937, tho somewhat higher than in 1938. Farm families will therefore find it particularly advantageous to make a careful budget of living expenses for the coming year. (Number of members per family averaged three in the lowest income group, and four in the other two groups.)

Clothing prices are expected to average a little higher in 1939 than in 1938, altho prices of some textiles may be about the same. The increase in prices of leather and the reduction in shoe inventories, along with an improvement in demand, indicate some increase in the price of shoes in the coming year. The shoe bill of farm families takes a large proportion of the total clothing budget.

Prices of gasoline and kerosene are expected to show no marked changes in 1939, since stocks of these products are much larger than last year. Prices of coal may be higher. Farm-residence electric rates have been declining in recent years, and this trend is expected to continue in 1939.

Early prices for 1939 automobiles are about 5 percent less than in 1938. Tire prices will probably advance somewhat. Prices of 1939 radios are lower than early prices for 1938 models.

Important as electricity and electrical equipment are for farm family living, running water in the house may do more to ease the

homemaker's burdens and increase the comfort of the family. In view of the moderate costs of plumbing installations a surprisingly small proportion of Illinois farm families have this type of equipment.

**Home-produced food.** The outlook for higher prices for vegetables and of improved storage facilities may encourage families in 1939 to broaden their production and storage of vegetables for family use. Many farm families will improve their level of living where production conditions are favorable by producing for family use more milk, eggs, fruits, and vegetables, and better meats. Such dietary changes will improve health and release cash for other expenditures.

To meet family food needs there is continued interest in canning and in providing improved storage facilities for food products inside and outside the house. For safe food storage it is necessary that the products be of good quality when they go into storage and that approved temperatures be maintained.

**Financial planning.** With improved financial conditions in 1939, careful planning of family expenditures will result in better health and greater comfort for the family.

## CROPS OUTLOOK

### FEED GRAINS AND OTHER FEEDS

Prices of feed grains and other feeds in the marketing year 1938-39 will probably average somewhat below those of 1937-38. Because of the unusually large carryover from 1937, the total supply of feed grains is larger than a year earlier and about the same as the 1928-1932 average, even tho feed-grain production in 1938 totaled about 6 percent smaller than in 1937.

The supply of feed grains per animal unit will be well above average, but with larger numbers of livestock in 1938-39 than in 1937-38, somewhat more feed grains will be used. Exports of feed grains will be less than in 1937-38, because of increased production of feeds and a slight reduction in livestock numbers in importing countries.

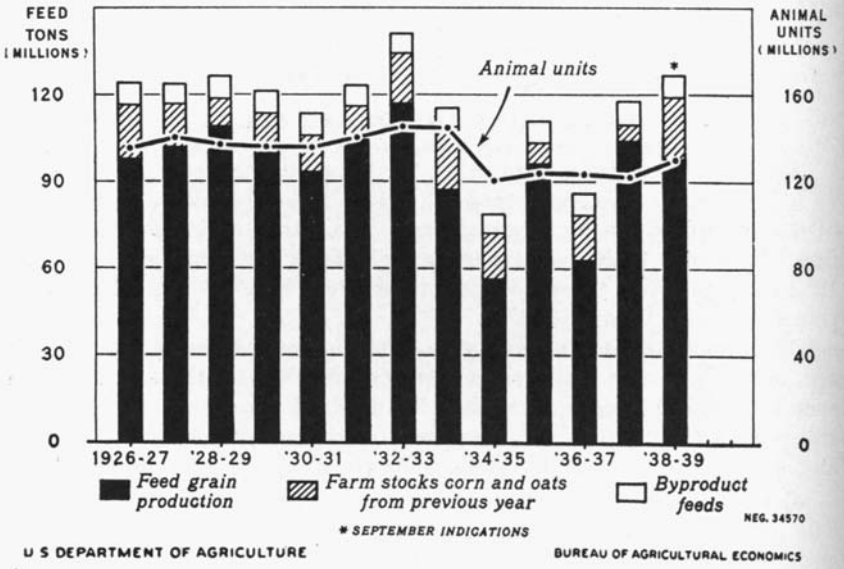
**Corn.** A slight reduction in corn acreage is probable in 1939. The present supply of corn is 5 percent larger than in 1937-38 or than the 1928-1932 average. The slightly smaller production of corn this year, compared with a year ago, is more than offset by a larger carryover. The rapid accumulation of this carryover has been due to reduced livestock numbers, favorable growing seasons in 1937 and 1938, and to the increased use of hybrid corn in the principal corn-producing states.

The United States will continue to export corn at least until the new Argentine crop becomes available late next spring. These exports, so long as they continue, will tend to support prices.

The corn loan will be an important factor in the corn situation in 1939. The effect of the loan will depend largely upon the amount placed under seal. Extensive corn sealing will tend to retard corn marketing, raise prices, retard the expansion of livestock feeding, and result in a larger carryover, and consequently lower prices, next fall than we otherwise would have.

**Oats.** In view of the general decline in numbers of horses and the reduction in other livestock as a result of the drouth, oat supplies in relation to livestock requirements are not much different from those of the predrouth period. Stocks on hand October 1, 1938, totaled 867 million bushels, or 74 million bushels below the supply a year earlier.

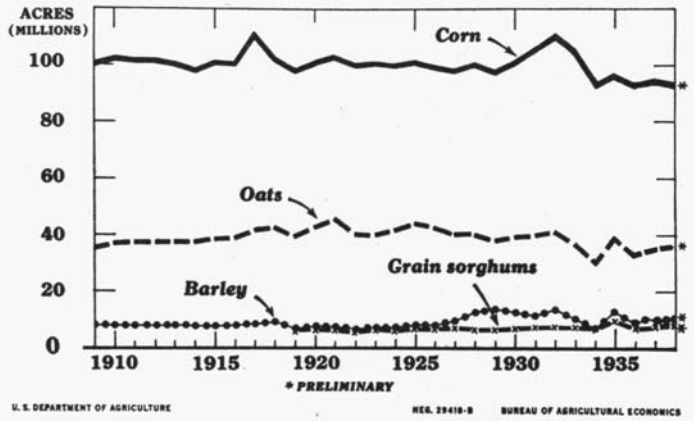
**Barley.** With the threat of chinch bugs largely removed in 1939, part of the oat crop may be replaced with spring barley in northern Illinois and winter barley in southern Illinois. Even tho the 1938 barley crop in Illinois was approximately 15 percent larger than




**Feed grain and byproduct feed supplies, in relation to livestock on farms, 1926-1938**

Feed-grain supplies are not now unusually large, except in relation to livestock numbers. The relatively small number of grain-consuming animals on farms has been one important cause of the low prices obtained for the 1937 and 1938 feed-grain crops. On January 1, 1938, there were 16 million fewer animal units on farms than the average during the ten years preceding the drouth of 1934; and at beginning of 1939 it is estimated that there will be 10 million less than the average for those years.

the 1937 crop, it was only about half as large as the ten-year average (1927-1936). The U.S. barley crop in 1938 was about 15 percent larger than the 1937 crop. Added to a large carryover, this larger crop resulted in a total supply of 289 million bushels, an increase of 42 million bushels over 1937.




**Harvested acreages of feed grains: corn, oats, barley, and grain sorghums, United States, 1909 to date**

Harvested acreages of feed grains in the United States, tho they have varied somewhat, are about the same as they were thirty years ago. Variations in production have thus in general been due to yearly differences in acre-yields. The declines in harvested acreages which took place in 1934 and 1936 were the result partly of smaller plantings, but chiefly of heavier abandonment because of severe drouth. The abandonment of these grains in 1934 and 1936, respectively, was as follows: corn, 7.5 million and 7.7 million acres; oats, 8.6 million and 6.4 million acres; and barley, 4.8 million and 3.8 million acres.

**Hay and pasture.** An increase in numbers of hay-consuming animal units, especially cattle, over the next few years will no doubt increase the demand for hay. The 1938-39 U.S. supply of hay per animal unit is the second largest in thirty years. The 1938 crop was 92 million tons, the largest in ten years, and the carryover from the 1937 crop was also unusually large. Carryover into 1939-40 is also likely to be large because pastures have been good this fall and feed grains are plentiful. The large 1938 production of hay was due almost entirely to higher yields rather than to increased acreage.

Many factors, such as the Agricultural Conservation Program, adequate supplies of forage-crop seeds, reestablishment of grazing lands, increased acreage of soybeans and lespedeza, and the release of hay fields from the grazing which was necessary during recent

drouth periods,—all add to the prospect of an expansion in hay acreage.

Important changes in kinds of hay produced in the United States have taken place in recent years. Since 1935 alfalfa has lead all other hays. Alfalfa acreage increased 25 percent from 1927 to 1936, and it continues upward. Clover and timothy acreages, which were reduced one-third by the series of drouths from 1930 to 1936, are staging a comeback. Soybean hay acreage in the United States has more than doubled, and in Illinois more than trebled during the past decade. Lespedeza for hay has increased sixfold during the same period.

**Commercial feedstuffs.** Feedstuff supplies for 1938-39 are expected to be larger than the average of the last five years, 1933-34 to 1937-38. This is due primarily to larger soybean, flax, and wheat crops. The only reduction has been in the supply of cottonseed meal and cake, due to a reduced production of cottonseed.

Total supplies of oil seed cake and meal, representing high-protein concentrates, are larger than those of any previous season, except last year's record supply, which was about 15 percent larger than this year's supply. Cottonseed cake and meal supplies will be smaller than last year but larger than any other time in the last ten years. Soybean meal and cake supplies will be the largest on record and about 15 percent larger than last year. Supplies of linseed cake and meal will be slightly greater than last year, due in part to a larger domestic flax seed crop.

Other byproduct feeds such as wheat mill feeds, gluten feed and meal, distiller's and brewer's grains and dried beet pulp, will be somewhat more abundant than last year.

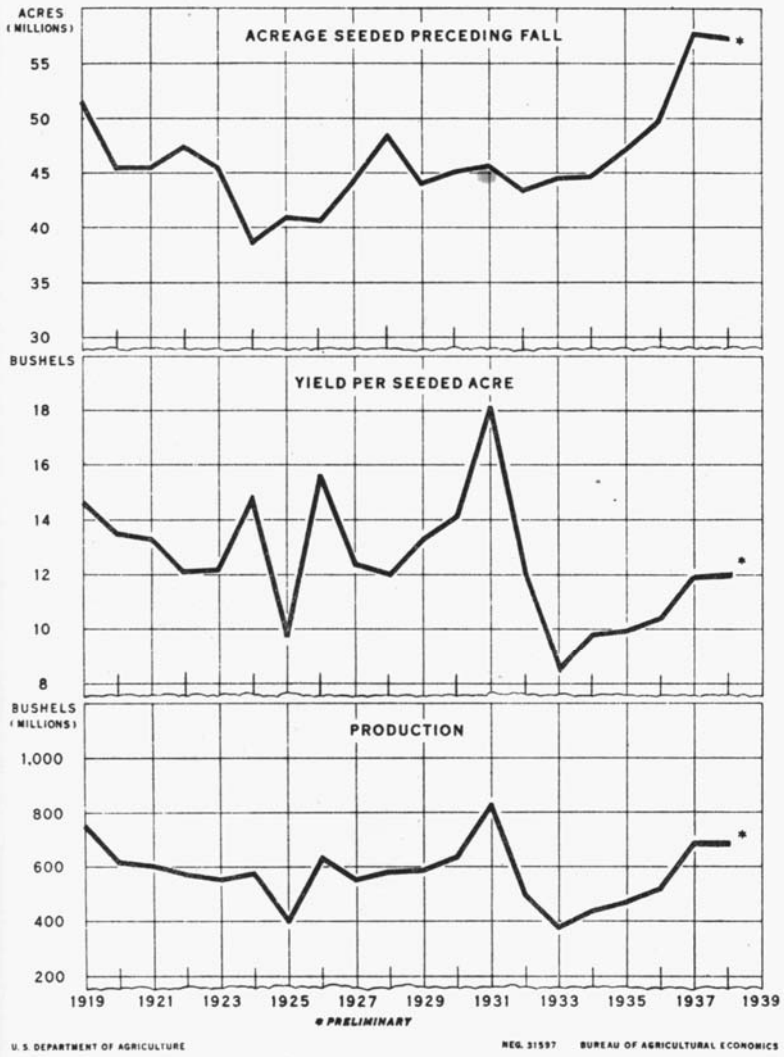
## WHEAT

Price prospects for U.S. wheat in 1939 are not bright. Altho Illinois farmers reduced wheat production in 1938 under 1937, the U.S. crop exceeded 1937 by about 7 percent. Total supplies of wheat for the year beginning July 1, 1938, are the largest in six years, and only 10 percent less than the record supplies of 1931-32.

Even if the total U.S. seeding of wheat for the 1939 crop comes within the allotted 55 million acres, the production, if average yields result, will come within 20 million bushels of the ten-year (1927-1936) average domestic disappearance (about 680 million bushels). Current indications are that the acreage sown will be higher than that allotted. With average yields, the total U.S. supplies in 1939-40, including a carryover of about 300 million bushels, will be larger than in 1938-39. Export prospects in 1938-39 are not favorable because of increased production in other countries.

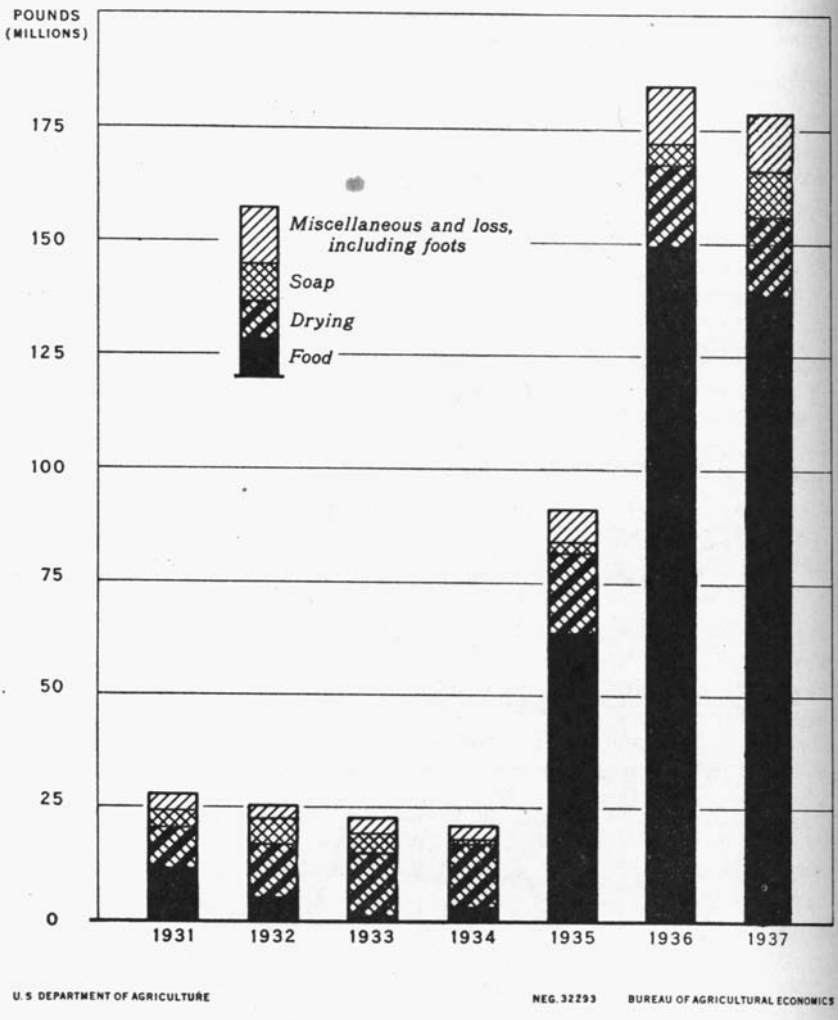
## BROOMCORN

Illinois broomcorn production, 8,300 tons in 1938, is about the same as the average for the ten years 1927-1936. The indicated yield




**Winter wheat: acreage seeded, yield per acre, and production, United States, 1919-1939**

Winter-wheat acreages seeded in the United States have risen sharply since 1934, largely because relatively high prices for wheat followed four years (1933-1936) of low acre-yields resulting from drouth, rust, and insect damage. The acreages seeded for harvest in 1937 and 1938 were the largest in history. Low yields per acre during this period of increasing acreages have somewhat delayed the accumulation of surpluses.




**Factory consumption of soybean oil, United States, 1931 to date**

Before 1935 soybean oil was used mostly as a drying oil. Its use in this field has changed but little since 1935; and the increase in production in recent years has been consumed almost entirely in food products, making soybean oil predominantly an edible oil. ("Foots" are residues in oil.)

of 460 pounds an acre in 1938 is 140 pounds lower than in 1937 and 15 pounds below the ten-year average. Illinois production of broomcorn in 1928-1932 averaged 14 percent of U.S. production in that period, but in 1933-1937 it averaged 26 percent of U.S. production.

The 1938 acreage and production of broomcorn in the United States (figures to be released in December) should be considered when

planning the 1939 crop. When yields are average (300 pounds an acre), only 300,000 acres are needed to supply the average demand in this country. In each of the past four years, acreage has been higher than needed, averaging 371,000 acres.

## SOYBEANS

Production of 54 million bushels of soybeans in 1938 set a new high for this country. Approximately 50 million bushels, or 93 percent of the total, was produced in six states—North Carolina, Ohio, Indiana, Illinois, Iowa, and Missouri. Illinois 1938 production is estimated at about 28.9 million bushels, nearly 5 million bushels above the previous high mark set in 1935.

The amount of soybeans used for feed and seed on farms has varied during the past eight years from 9 to 15 million bushels. Between 40 and 45 million bushels of the 1938 crop may therefore be expected to go into commercial uses. Of the 30 million bushels (about 70 percent) of the 1937 crop which entered commercial channels, only 1.4 million bushels was exported. With a Manchurian crop 4½ percent larger than in 1937, and with a larger-than-normal carryover in that country, American exports will probably not be large in 1939.

Prices of soybeans in the United States are likely to be influenced more by the supplies and prices of competing oils and meals than by the amount of soybeans or soybean products available. Even with the large 1938 soybean crop, the total supplies of all oils and meals will probably not be so large as in 1937-38, since cottonseed oil and meal supplies will be much smaller than in 1937-38. Since more than 80 percent of soybean oil goes into edible products, prices on this product will vary with prices of competing vegetable oils. While supplies of linseed and other oils may be somewhat larger, they will not replace the loss due to the smaller cotton crop.

**1939 U.S. Outlook for Clover and Grass Seeds**
(Millions of pounds)

| Kind of seed | 5-year average production 1933-1937 | 1938 production[a] | Carryover into new crop | Available supply in fall of 1938 | Average annual consumption | Surplus (+) or deficiency (−) |
|---|---|---|---|---|---|---|
| Alfalfa | 60.1 | 46.6 | 10 | 56.6 | 55 | + 1.6 |
| Red clover | 46.1 | 50.6 | 1.7 | 52.3 | 55 | − 2.7 |
| Alsike clover | 21.7 | 29.5 | .3 | 29.8 | 23 | + 6.8 |
| Sweet clover | 45 | 61.5 | 18 | 79.5 | 50 | + 29.5 |
| Lespedeza | 62.7 | 170 | 1 | 171 | 65 | +106 |
| Timothy | 78.5 | 46.7 | 70 | 116.7 | 70 | + 46.7 |
| Redtop | 9.9 | 15 | 12 | 27 | 11 | + 16 |
| Kentucky bluegrass | 16.4 | 7.8 | 24.5 | 32.3 | 12 | + 20.3 |
| Orchard grass | .2 | 1.9 | 1 | 2.9 | 3.3 | − .4 |
| Meadow fescue | .5 | .1 | .1 | .2 | .4 | − .2 |
| Sudan grass | 33.1 | 36.5 | 12 | 48.5 | 30 | + 18.5 |

[a]Preliminary figures, Bureau of Agricultural Economics, U.S. Department of Agriculture.

## FORAGE-CROP SEEDS

The 1938 production of seed of the small-seeded legumes was above production in 1937, and with the possible exception of alfalfa, is above the average for 1933-1937. Prices of these seeds in 1939 will in general be lower, and greater use of the seed supplies available will result. With the exception of alfalfa, prices of these legume seeds on November 1 were below the November 1 average for the five years 1932-1936. For estimated supplies of these seeds see table on preceding page.


**Grasshopper infestation on November 15, 1938**

June poisoning will probably be necessary at many points in the more heavily shaded areas on the map.

**Alfalfa.** Production of alfalfa seed in 1938 was 7 percent less than in 1937. While total supplies may be adequate for 1939 needs, the supply from northern and western areas may not be sufficient to meet the demand for the hardier sorts. Imports of alfalfa seed from July 1, 1937, to June 30, 1938, were the heaviest in eleven years. The carryover of 10 million pounds on June 30, 1938, (which because of high prices was greater than expected) is largely imported seed and seed from southwestern United States, tho some is from Canada.

The crops of red and alsike clover seed plus a small carryover will assure adequate supplies in 1939. Estimated U.S. production of red-clover seed is 50 million pounds, 80 percent above 1937, and slightly above the five-year average. Production of alsike seed is estimated at 30 million pounds, next to the highest on record.

Supplies of both sweet-clover seed and lespedeza seed should be ample for 1939 needs. Production of sweet-clover seed in 1938 equaled the 1937 crop, which was the largest since 1929. Imports of 9.4 million pounds of sweet-clover seed in 1937-38 plus the heavy production resulted in a carryover of 18 million pounds. The lespedeza seed crop was the largest on record.

U.S. production of bluegrass, redtop, timothy, and Sudan grass seed in 1938 was below the heavy crops of 1937, but with liberal carryovers the 1938-39 supplies should be ample to meet all planting needs.

## INSECT HAZARDS

**Grasshoppers.** Only a moderate carryover of grasshoppers to 1939 is expected. Rains during the egg-hatching period in May and June, 1938, killed the young 'hoppers about as fast as they hatched and so reduced their numbers. The fall of 1938, however, has been very favorable for egg-laying, and in some spots in the southwest and west-central parts of Illinois 'hopper eggs are abundant enough to cause damage in 1939. The infestation is very spotted.

**White grubs.** Some damage from white grubs is likely to occur in local areas in the northern fourth of Illinois. These areas are mostly north of a line from Rock Island to Joliet.

**Chinch bugs.** No wide-scale infestation of chinch bugs will occur in Illinois in 1939. There are some small areas of infestation in the north-central section and larger areas in the southwest-central section. Should May and June be dry, and thus favorable for chinch bugs, moderate damage will occur in these areas and also in scattered areas over central and east-central Illinois.

**Grape colaspis.** This little beetle, the grubs of which feed on the roots of clover and corn, is very abundant in most of Illinois. Where clover sod is plowed late next spring and planted to corn, there is danger of severe injury by this insect.

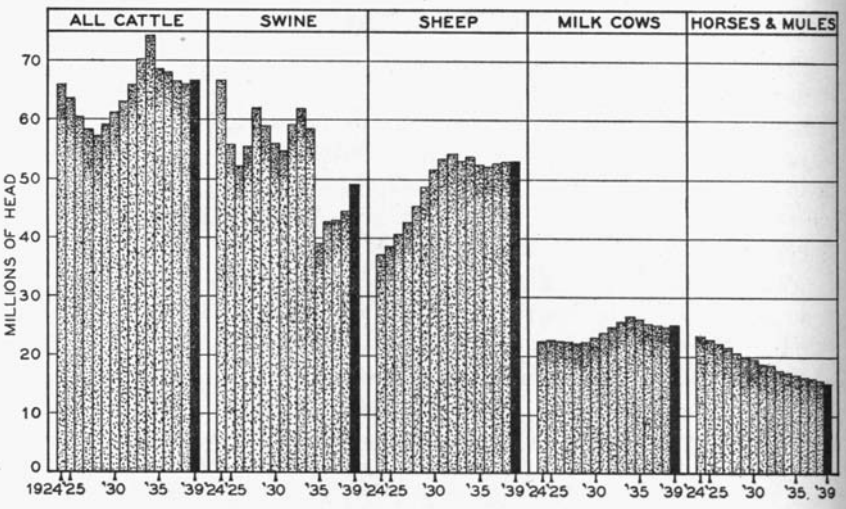
**Other insects.** In the southern third of Illinois there is danger of more than normal damage to corn and other stored grain from the angoumois grain moth, rice weevil, and other insects.

## LIVESTOCK AND LIVESTOCK PRODUCTS

### BEEF CATTLE

All indications point to some expansion in beef-cattle production in 1939. Large supplies and relatively low prices of feed will result in larger marketings of fed cattle in 1939 than in 1938, and good pasture conditions in the Great Plains states during the past two years encourage restocking in areas where numbers were sharply reduced by the drouths of 1934 and 1936. With industrial activity and consumer buying power increasing, the demand for meats in 1939 is expected to be somewhat greater than in 1938.

While more cattle will be fed in 1939 than in 1938, the total number will be limited by a shortage of and high prices for feeder cattle and by the corn-sealing program. Shipments of stocker and feeder cattle from stockyard markets into the corn-belt states from July to October, 1938, were but little different from those in the same period



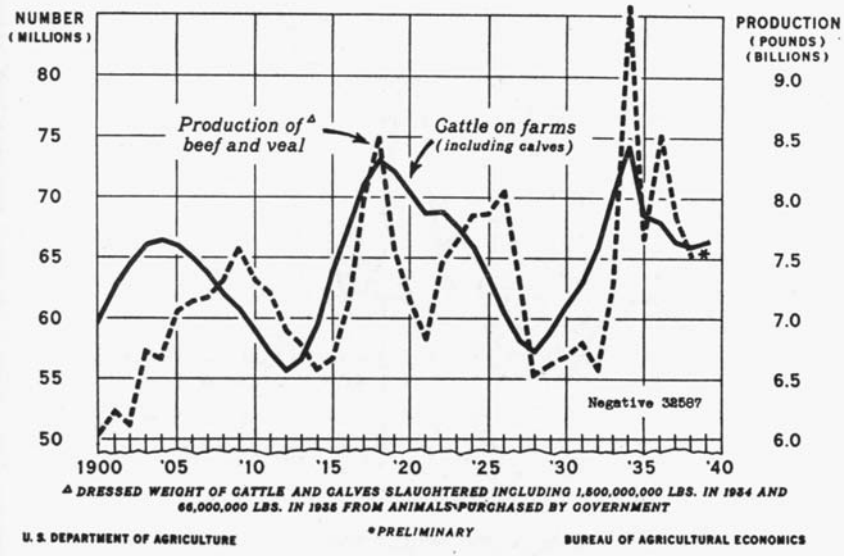

**Livestock on farms in the United States on January 1, 1924-1938, and estimated numbers for 1939**

The low point of the present cycle in numbers of cattle has apparently been passed, and consequently cattle numbers are expected to increase during the next few years. Hog numbers have increased each year since 1935, but as they are yet about 15 percent less than the average during the 10 years preceding the drouth of 1934, and as the feeding ratio is favorable, a further increase is expected.

of 1937. However, the abundant supplies of cheap feed will encourage grain-feeding of many small lots of locally raised cattle which are usually marketed directly off grass.

The strong demand for cattle for restocking purposes and for establishing new herds in those areas where considerable land has been withdrawn from cultivation has resulted in a marked shortage of cows and heifers for feeding purposes. Consequently the shortage of fed cows and heifers so pronounced in 1938 is expected to be even more acute during 1939. With somewhat larger market supplies of grain-fed cattle in 1939 than in 1938 and smaller marketings of cows and heifers, the spread between prices of the upper and lower grades of slaughter cattle probably will continue relatively narrow. Prices of slaughter cows, particularly, are likely to be maintained at a fairly high level in relation to prices of other kinds of slaughter cattle.

The spread between prices of feeder cattle and fat cattle during the fall of 1938 has been about the narrowest on record, and it indicates an expectation on the part of cattle feeders that fat-cattle prices will make little recession from present levels during the coming year. This expectation doubtless is based largely on (1) the fact that ship-




**Estimated number of cattle on farms January 1, and estimated total production of beef and veal, United States, 1900-1938**

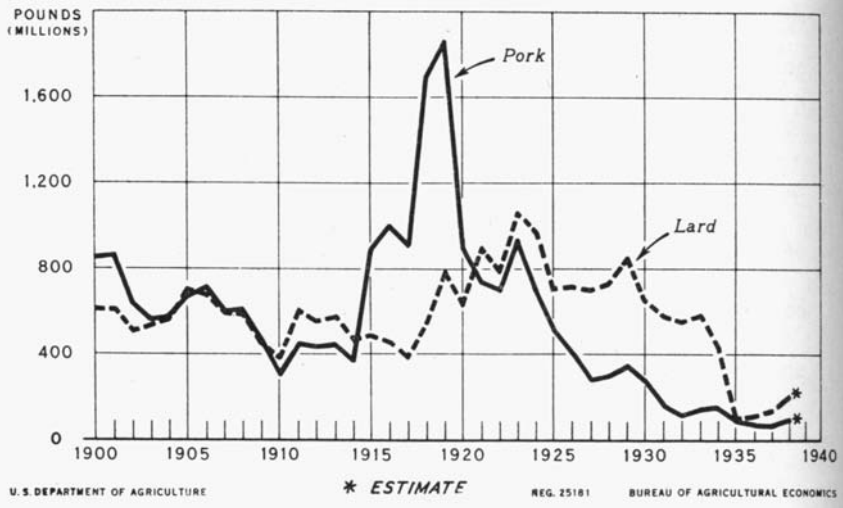
The number of cattle on farms January 1, 1939, will be slightly larger than a year earlier; but the total production of beef and veal is likely to be no larger in 1939 than in 1938, because of a decline in the slaughter of cows, heifers, and calves. Changes in cattle numbers usually precede changes in beef and veal production by two or three years.

ments of feeder cattle during 1938 were no larger than those of 1937, and (2) the prospect that consumer demand for meats in 1939 will be somewhat greater than in 1938. On the other hand, the increasing supplies of hogs and of all meats will be price-depressing factors, and probably margins between feeder and finished cattle will continue to be small.

Present indications point to a small increase (about 1 percent) in cattle numbers at the beginning of 1939 over the estimate of 65.9 million head on farms January 1, 1938. This increase probably marks the initial stage of an expansion era that will continue for some years and will ultimately result in increased marketings. The increased marketings will mean lower prices unless they are accompanied by a rather marked improvement in consumer demand.

## HOGS

**Supplies.** Considerably more pork and lard are expected to become available in the United States during the year beginning October 1, 1938, than were available during the preceding twelve months. In




**Pork and lard exports from the United States, 1900-1938**

If we produce enough hogs, of the usual weight, to furnish a normal per-capita consumption of pork, we shall have too much lard, unless our export market can be expanded. From 1923 to 1932, because of increased European hog production and import restrictions imposed by several countries, exports of both pork and lard fell off sharply, and from 1935 thru 1937 were reduced to the lowest level in more than 50 years, chiefly because of the sharp decrease in hog production occasioned by the severe drouth of 1934. The loss in lard exports from 1925-1929 to 1938 was equivalent to the normal lard production from 14 million hogs.

fact, the supply is likely to be the largest since 1933-34, but it will still be about 15 percent smaller than the average of the ten years prior to the drouth of 1934.

This increase will come chiefly as a result of the 13-percent larger spring pig crop and a fall crop 9 percent larger than last year. With a supply of cheap corn, and a limited number of hogs available, feeders will likely carry their hogs to relatively heavy market weights, even tho demand for lard will be limited. This will almost certainly occur if the present favorable hog-corn price ratio continues, unless a wide spread develops between prices of light and heavy hogs.

Much of the increased hog production is expected to reach market during the first half of the present marketing year. With corn plentiful and pastures good, gains have been rapid. Then, too, much of the increase in numbers is in the eastern corn belt, which is normally an early marketing area. It is likely that the 9-percent larger fall pig crop of 1938 will be marketed largely during April, May, and June, 1939.

Storage stocks of pork on October 1, 1938 were only about half the average for the five-year period ending in 1934, while lard storage is about 87 percent of the average for this period.

Imports of pork are expected to be lower during the present marketing year than in 1937, because of increased domestic supplies and probably a somewhat lower price.

**Demand.** The domestic demand for United States pork and lard is expected to be higher in 1938-39 than in 1937-38.

The European demand may well be somewhat larger than last year for two reasons: increased supplies of exportable pork and lard available at what will probably be lower prices than last year; and reduced production in Europe. This outlet, however, cannot be very large so long as present import and exchange restrictions continue. Since the period 1926-1930 exports of pork have dwindled from 322 million pounds to approximately 100 million pounds, while exports of lard have declined from 741 million to about 260 million pounds. Exports of both these products in 1938 are appreciably higher than the very low figures for 1937 because of increased slaughter of hogs in the United States.

**Prices.** Hog prices during 1938-39 are expected to be somewhat lower than during 1937-38, as the expected increase in hog numbers will probably more than offset the expected increase in demand. Judging from present corn prices the hog-corn ratio will probably continue favorable to hog feeding for some time even tho hog prices work to considerably lower levels. Because of the number of heavy hogs likely to be produced as a result of this favorable ratio, heavy hogs are likely to sell, as they did in 1937-38, below medium- and lightweight butchers.

## SHEEP AND WOOL

Further increase in sheep numbers in the United States is likely. Weather and range conditions and changes in cropping practices, as well as price conditions, will be important influences.

Total wool production depends chiefly on numbers of stock sheep, but weather at lambing time is an important factor in numbers of lambs raised. The very favorable conditions last spring are reflected in the 1938 lamb crop—the largest one on record and 5 percent larger than in 1937. Marketings to date in 1938 have also been greater than for the same period in 1937. Federally inspected slaughter has been greater also, but total slaughter may not exceed previous record years because more ewe lambs may be held for replacements and a large portion of Texas lambs held for sale as yearlings.

Feeding at this time is on a lower basis than in 1937. Prospects for profits are favorable because of this reduction and because of lower costs of both lambs and feed and the probable improvement in consumer demand for meats and wool.

Supplies of wool are larger than at this time in 1937, but with improved mill activity they are not in excess of needs. Prices for domestic wool, however, are not likely to advance rapidly, as they are now approaching an import basis and further increase will depend on a rise in prices in foreign countries.

Altho there is a widespread opinion that improved economic conditions in 1939 will result in higher prices for lambs and wool, it is likely that the usual seasonal fluctuations will exist; and in developing their programs growers and feeders will profit by giving due consideration to them. Many farmers would profit by giving more attention to improving the quality both of lambs and of wool.

## HORSES AND MULES

The number of horses and mules on farms continued to decline during 1937, and this downward trend will probably continue for several years more.

Prices of horses and mules reached the highest peak in seventeen years during 1937, but during the latter part of 1937 and the first 8 months of 1938 they dropped 10 to 15 percent. When related to prices of all farm products, however, prices of horses and mules were higher during the first 8 months of 1938 than at any time since 1916. With about a two-year lag, colt production has increased in keeping with the trend in the relation between prices of work animals and prices of all farm products. This price relationship is expected to encourage colt production during the next year or two.

The 1937 production of 832,000 horse and mule colts was still about 400,000 head short of the number that would replace the 1937 disappearance of animals over a year old. Even with expected increases in the colt crops and smaller disappearance, several years will elapse before the decline in numbers of work animals will end.

Present low prices of grain and hay, and the increased acreage in meadows and pastures, favor horse and mule use and production.

## POULTRY AND EGGS

Present conditions are relatively favorable to poultry and egg producers, and no great change is expected in the early part of 1939. Increased production, followed by heavier marketing of both poultry and eggs and consequent larger cold-storage holdings, will probably bring about a less favorable situation in the latter half of 1939.

The ratio between egg and feed prices is favorable to egg producers. In September, 1938, only about half as many eggs were needed to purchase a given quantity of feed as were needed a year earlier. The ratio is expected to remain favorable at least until the approach of the 1939 harvest.

Storage holdings of shell eggs at the peak of the season on August 1, 1938, were the lightest since 1916, and about 26 percent below the 1937 figure. Stocks of frozen eggs were also smaller than in 1937. The anticipated favorable outcome of current egg-storage operations is likely to increase the demand for eggs to be stored in the spring of 1939. Storage stocks of poultry, on the other hand, are expected to be higher in 1939 than in 1938, altho below the record holdings of 1937.

Because of the expected favorable egg-feed ratio, commercial hatchings will probably be larger in 1939 than in 1938. An expansion in the number of chicks for fall and winter broilers has been reported, and the increase may be large enough to offset any price advantage to broiler producers gained thru the more favorable feed situation.

In view of the prospective larger hatch, poultry marketings in 1939 will probably exceed those of 1938. With a liberal supply of feed and an anticipated active demand for storage eggs next spring, there may be a tendency to keep more than the usual number of hens on farms, with consequent heavier marketings during the last half of 1939.

With an increased number of layers and a favorable egg-feed ratio, total egg production is expected to be larger in 1939 than in 1938. The price of eggs should continue to be favorable, because the combined effect of improving consumer incomes and active storage demand is expected to offset most of the unfavorable effect of large egg supplies.

The number of turkeys on hand September 1, 1938, was about 4 percent greater than in 1937, but 6 percent less than in the peak year 1936. Some further increase in turkey production is probable in 1939.

Numbers of chickens on farms have declined to about 387 million since the high point of 475 million in 1928, but no equivalent decrease in egg production has occurred. It is expected that the number of chickens on farms will increase over the next four or five years.

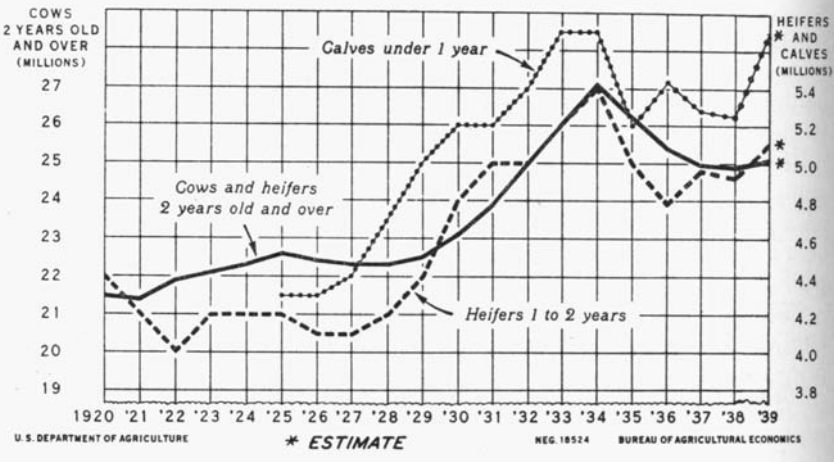
## DAIRY OUTLOOK

Lower feed prices in relation to prices of dairy products will be a favorable factor in dairy production in 1938-39. Altho feed grain supplies are 4 percent larger than in 1937-38, the supply per animal unit is about the same. The hay supply per animal unit is the largest since 1927 and the second largest in thirty years.

Prices of dairy products during the fall of 1938 have been lower than in the same months of 1937, and they probably will not make any marked gains during the year. They are relatively high, however, compared with prices of feeds, and are likely to continue so during the winter of 1938-39.

During the first half of 1938 prices of dairy products declined sharply, with the rise in dairy production and the increased seriousness of the depression. The wholesale price of 92-score butter at Chicago was held at 25.25 cents from June 15 to July 15, and at 25.5

cents during the rest of the summer. This increase was largely due to the purchase of 113 million pounds of butter by the Dairy Products Marketing Association. The program of the Association placed a bottom under the butter market during the summer season; but until the large overproduction of butter last summer is disposed of, thru either relief or commercial channels, prices will continue fairly low.




**Cows, heifers, and calves being kept for milk cows in the United States, January 1, 1920, to January 1, 1939**

The downward trend in numbers of dairy cows, under way since 1934, has been reversed in 1938, and a further increase in 1939 will be likely. In 1938 the number of heifer calves being kept for milk cows increased about 8 percent, reaching a point as high as in 1934. The number of dairy cows and of dairy heifers from one to two years old increased slightly.

With an abundance of feed available at low prices and a favorable relation between prices of dairy products and feed prices, dairymen will probably feed liberally during the winter of 1938-39 and production per cow will continue high. Because of abundant pastures during the late summer months, cows entered the barn in better condition than a year ago.

With the large present stores of manufactured dairy products and the anticipated increase in milk production, higher prices for dairy products are hardly to be expected unless consumption is stimulated by a rise in urban prosperity and in general business conditions.

Consumption of fluid milk and cream declined sharply in the first half of 1938. Evaporated milk consumption showed what is probably a temporary decline of 6 percent. Butter consumption showed little change during the first eight months of 1938. Cheese consumption

during 1938 is 4 percent higher than in 1937, the highest on record. With increased employment and better buying power, the outlook is for a further increase in the consumption of dairy products for the next few years.

**Long-time outlook.** While the unusual spread between feed prices and the prices of dairy products cannot be expected to continue with the advent of more normal supplies of feed grains and hay, nevertheless it seems likely that dairymen can expect moderately favorable conditions during the next several years. An increase in the general prosperity of the consuming public will mean a substantially increased consumption of dairy products.

Dairy cow numbers promise to increase rapidly in the next few years. The decline in number of milk cows started in 1934 is checked, and the outlook now is for an increase. The cow population on January 1, 1939, will be slightly higher than on January 1, 1938. With recovery from drouth condition, and with fewer cows removed by disease-control programs, cow numbers are not likely to be reduced by other than the usual culling practices. Large numbers of dairy heifers were saved in 1937 and in 1938, so that more replacements are being grown than are needed to maintain the present dairy-cow population.

## OUTLOOK FOR FRUITS

Increasing competition among fruits for the consumer's dollar is likely to continue during the next decade. A marked increase in citrus fruit production is predicted, which will probably keep the prices of these fruits low. The general effect of this competition will be to depress the prices of other fruits also.

Per-capita production of thirteen fruits increased from 176 pounds in 1919-1924 to 206 in 1934-1938. Orange production has increased from 21 pounds to 36; grapefruit, from 5 pounds to 17; lemons, from 3 pounds to 5; grapes, from 31 pounds to 36; plums and prunes, from 8 pounds to 15; pears, from 7 pounds to 11. Apples declined from 71 pounds to 57. Peaches remained nearly stationary at about 20 pounds and strawberries at about 3 pounds. Banana imports increased from 19 pounds to 22.

Increased competition is expected in foreign markets. The trend of production, both citrus and deciduous, is upward in most other countries.

**Apples.** The U.S. apple crop is likely to decline at a moderate rate because of reduced acreage. From 1910 to 1935 the total number of trees decreased from 217 million to 100 million. There are now about 90 million, of which about 75 million (83 percent) are in bearing. Average annual production in 1934-1938 was about 152 million bushels.

The average crop is predicted to be about 140 million bushels by 1945. Production of dessert apples in foreign countries continues to increase.

The 1939 crop in the United States and in Illinois promises to be very large, with lower prices as a result. There is urgent need for a wider distribution of apples thru cooperative advertising. Diversion of low-grade fruit from the fresh-fruit trade is desirable. A greater proportion of the crop, especially of the Golden Delicious variety, should be harvested more mature.

Present and prospective low prices for apples call for low unit costs of production, and to this end high yields are essential. Very old trees, poor varieties, and long-neglected trees will likely be unprofitable. Because of the high unit costs of producing late varieties in southern Illinois the summer varieties are likely to be the more profitable in that section.

New plantings in Illinois are not considered sufficient to offset tree losses and decreased tree vitality.

**Peaches.** Outlook for peaches produced for fresh-fruit trade is considered favorable. United States production during the next five years is expected to be larger than the 1933-1937 average of 51 million bushels because of increased plantings in most regions. Marketing difficulties are not likely except in years of large crops. If new plantings continue at the present rate, there is some danger of overexpansion. New plantings in Illinois are not considered sufficient to offset tree losses. Careful consideration should be given to fruit adaptation and site selection in new plantings.

High-quality peaches, attractively packed, have been easiest to market in recent years. Harvesting the fruit at a more mature stage is necessary to improve its quality, in many orchards.

**Pears.** Pear production in the United States is expected to continue upward for several years. Increased plantings are confined to the Pacific Coast states, with decreases elsewhere.

**Strawberries.** The United States acreage for picking in 1939 will be the largest since 1929. It is 9 percent above the 1938 harvested acreage and about 7 percent above the 1927-1936 average. Increases are indicated for the late, intermediate (Illinois is in this group), and second-early states. In the early states some reduction in acreage is expected, because of high production costs and marketing difficulties. Beds are reported to be in good condition generally.

The 1939 Illinois crop is likely to be larger than for several years. A high-quality pack, obtainable by pan grading, will have a distinct price advantage.

**Raspberries.** The outlook for raspberry production in Illinois continues promising. Additional plantings of red raspberries in southern Illinois, and of both reds and blacks for local markets in central and northern sections, if given good care, should be profitable.

**Grapes.** Grape production in the United States is expected to increase slightly for several years. Present Illinois acreage is considered sufficient, except where good local markets prevail.

**Nuts.** An upward trend in production of nuts is indicated, with generally low prices. Profits of Illinois growers may be increased by top working young seedlings to improved varieties. Walnuts are adapted to a program of reforestation on the more fertile forest soils.

## OUTLOOK FOR VEGETABLES

On account of the prospective improvement in purchasing power of consumers, and the probable slight reduction in total U.S. acreage of vegetable crops planted for fresh market shipment, it is reasonable to anticipate a slight upward trend in prices of market vegetables and incomes of growers in 1939. Frozen vegetables are likely to be a competitive factor during the early part of 1939, but will not afford active competition with locally grown vegetables in Illinois markets during the summer and fall months, because of price differentials.

**Cabbage.** The upward trend in production of cabbage in the intermediate states that has been evident in recent years will probably continue in 1939. The bulk of the Illinois crop will thus meet severe competition.

**Onions.** A slight reduction will probably be made in onion acreage in the late-crop states in 1939 in view of the low prices and the poor keeping quality of the 1938 crop, which resulted from bad weather at harvest time.

**Tomatoes.** The acreage of tomatoes produced for the fresh market is likely to be about the same in the intermediate and late-producing regions in 1939 as in 1938, even tho 1938 prices were disappointing on account of heavy production in earlier regions. Early dying of the vines curtailed production in the late Illinois crop in 1938, thus lowering income from that source.

The acreage of tomatoes for canning in the United States as a whole, tho not in Illinois, will probably be increased in 1939. Reduced acreage and low yields in 1938 resulted in a pack 10 percent below the 10-year (1927-1936) average, but a large carryover from the 1937 pack made supplies ample. Poor yields in Illinois, resulting from adverse weather in 1938, have tended to discourage growers, and acreage for canning in Illinois is not likely to increase in 1939.

**Melons.** Watermelon growers in the late states (including Illinois) will be inclined to increase their acreages in 1939, following the relatively favorable season of 1938. However, with average yields, and a normal season farther south, a further acreage increase in 1939 would likely result in excessive supplies and unfavorable marketing conditions.

**Sweet potatoes.** The acreage of sweet potatoes in the United States as a whole is expected to be about the same in 1939 as in 1938. In southern states, where the sweet-potato acreage is influenced by the price of cotton, no great change in acreage is expected in 1939, except a probable increase in Louisiana, where the Puerto Rican variety is grown for market. In the eastern-producing regions, where much of the market supply originates, reduction in acreage is anticipated on account of low prices in 1938. The Illinois acreage in 1939 will be practically the same as in 1938.

**Potatoes.** The United States acreage of potatoes in 1939 is expected to be about 8 percent less than in 1938. With average yields, this acreage should produce about 310 million bushels. In Illinois (a deficit state), the planting of a normal acreage of potatoes for local markets is warranted.

**Home gardens.** In view of present grain prices, farmers in 1939 are likely to give more attention to planting adequate gardens for the production of vegetables for summer use and for canning or otherwise preserving for winter, thus reducing cash outlays for food supplies. With proper planning and care, and the use of labor-saving methods of tillage, a large supply of vegetables can be produced at small expense.

## FORESTRY OUTLOOK

Prices for farm woodland products in 1939 will probably remain close to the prices which prevailed thruout the fall of 1937 and the winter and spring of 1938, tho a slight decline may be expected in both demand and prices in early spring of 1939. Farm woodland owners are again urged to use low-grade timber for home needs, and to put only high-quality timber and special wood products on the market.

Prices for saw logs did not drop so far as expected last spring, and surpluses in the fall of 1938 are not so great as a year ago, but most sawmill owners are interested only in high-quality timber for which they can find ready outlets. Very low prices paid for low-quality logs are tending to place a penalty on such poor forestry practices as burning and grazing. Several stave mills closed in the spring of 1938 and few have reopened. Stave-wood is moving at low prices because of a large surplus of cooperage stock. The market for railroad and switch ties and mine timbers has remained fairly active, and good prices prevail for the upper grades.

The supply of planting stock for reforestation of idle land is the best that has been available. Prices have been standardized with a uniform price for all hardwoods, and a slightly higher price for all evergreens.

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